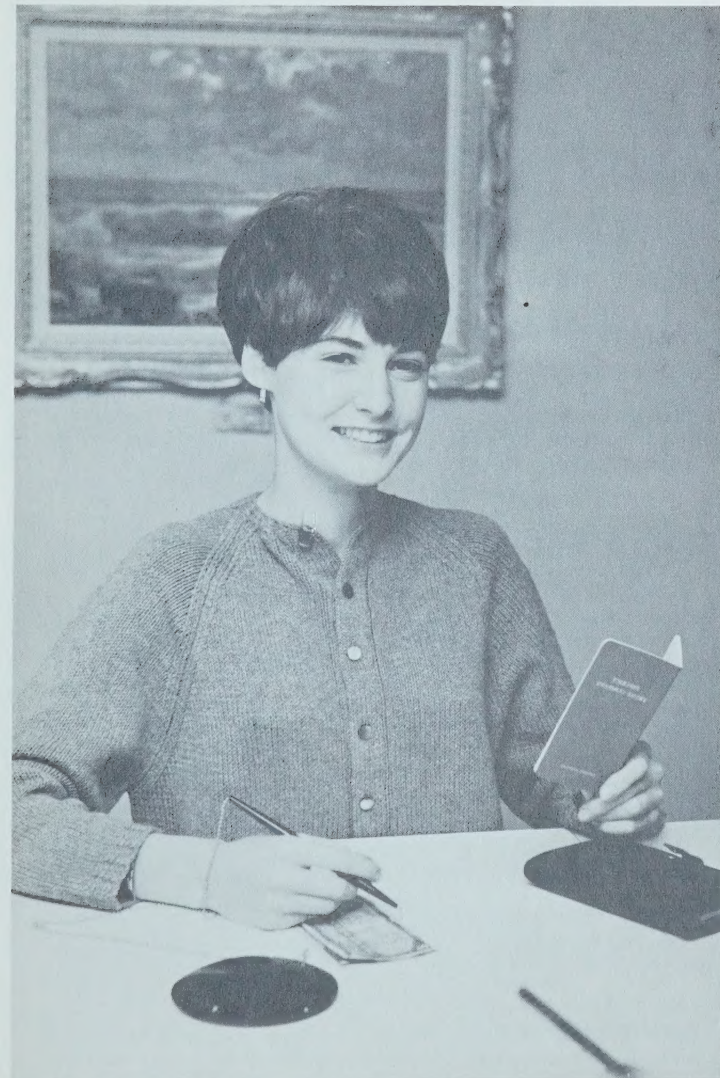


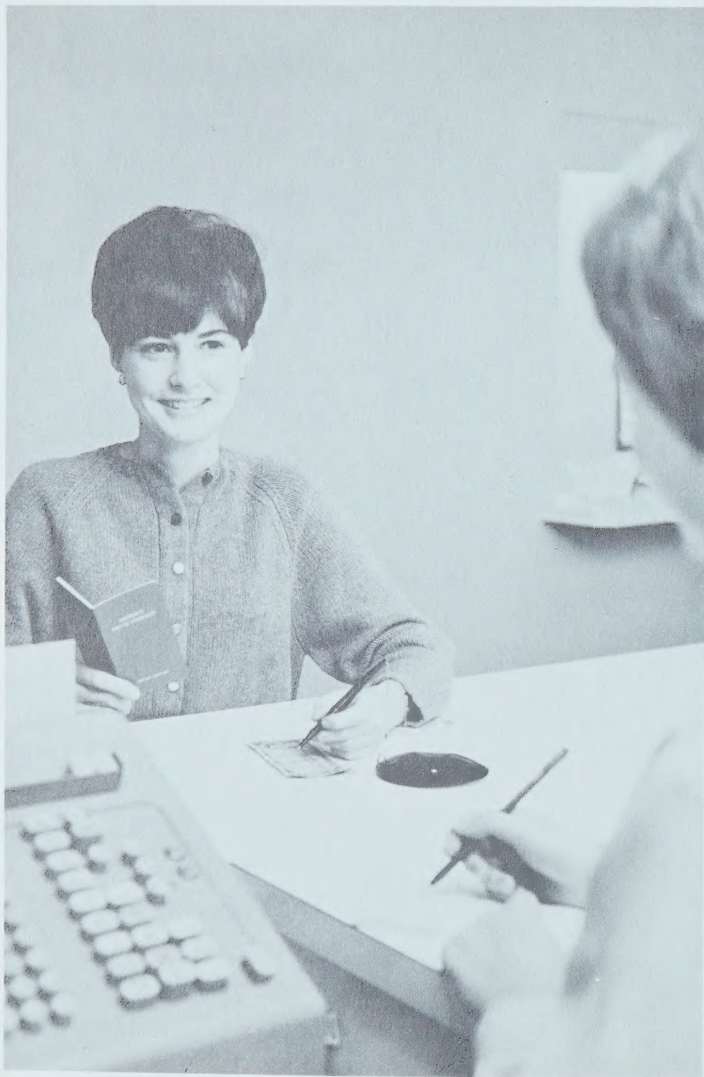
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# DISTRICT TRUST COMPANY



ANNUAL REPORT FOR YEAR  
ENDED OCTOBER 31, 1967





*Left — The Head Office of District Trust is a pleasant, quiet atmosphere in which to do your personal business with personnel noted for their courtesy and service.*



## TO THE SHAREHOLDERS

The directors of District Trust are pleased to be able to tell shareholders in this fourth Annual Report that the year ended October 31, 1967 was a very successful one despite extremely unsettled economic conditions.

Operating profit, before depreciation and reserves, rose from \$35,215 to \$38,149 and net income from \$18,136 to \$19,449, in keeping with our forecast.

This \$19,449 net profit, when added to last year's balance of \$5,217, brings retained earnings to \$24,666.

Total assets of Guaranteed and Company Funds increased approximately \$1,500,000.

We claimed \$10,700 depreciation, and increased the allocation to mortgage reserves from \$5,000 to \$8,000. Because the company has a high liquidity ratio (approximately 70%), the directors decided to take advantage of higher interest rates on mortgages and increased this portfolio by approximately \$1,500,000. This investment should contribute considerably to earnings next year.

The bond portfolio was increased by some \$270,000.

The value of estates, trusts and agencies assets under administration rose from \$278,485 to \$728,770, an outstanding improvement in an area of business which normally is slow to build.

You will notice the rather large amount of \$57,216 for 'Other Operating Expenses' and wish to explain that this includes numerous smaller items not individually identified, such as commissions, Ontario capital tax, equipment service contracts, unemployment insurance, pensions, group hospitalization, travelling expenses, business and property taxes, fire and liability insurance, burglar protection, postage, deposit insurance, telephone, light, heat, water, bank charges, transfer fees, maintenance, promotion and so on.

## THE ECONOMY

The Canadian economy experienced rapid inflation during the year which affected District Trust and all financial institutions because interest on deposits and Government of Canada Bonds reached historic highs.

Fierce competition among banks for the depositor's dollar partially caused the interest rate on demand money to rise. However, the high interest on Guaranteed Investment Certificates was attributable to the heavy demand for money by business and governments.

Amendments to the Bank Act permitted banks, trust and loan companies to join the Canada Deposit Insurance Corporation, and so insure

each depositor to a maximum of \$20,000. We are pleased that the Government adopted this suggestion, submitted jointly by District Trust and nine other new trust companies. However, premiums for Deposit Insurance now are another operating expense for all trust companies.

Otherwise, the changes in the Bank Act had little effect on your company's business, except for the higher interest rates already discussed

## PERSONNEL

Our appreciation is extended to all members of the Executive Committee who again this year devoted many hours weekly to the affairs of the company without remuneration.

The diligent efforts of the staff also contributed to the success we are able to report, and we acknowledge it with gratitude.

Mr. Douglas J. Petch joined the company in December, 1966, and is Treasurer and Manager of Head Office, with direct responsibility also for estates trusts and agencies, an area of our business in which he has extensive experience. Additional staff was required in the mortgage and savings departments because of increased business.

Shareholders are reminded that the growth and prosperity of District Trust depends on the reputation it is building, and this reputation is the responsibility of everyone. Shareholders can help immeasurably by talking up their trust company and recommending its services to friends, businesses and associates.

## THE FUTURE

Just as our fiscal year was ending, the Federal Government announced several tax increases (including personal income tax) and a reduction in Government spending, to curb inflation. Our next report will show how well this worked.

Nevertheless, we are confident that 1968 will be a year of progress and successful operation for District Trust, although one which will require harder work to achieve similar results. The financial industry is entering an era of more competitive services and promotion. We have been planning to actively meet this challenge with an aggressive sales program.

Respectfully submitted,

THOMAS F. KINGSMILL,  
*Chairman of the Board.*

BENTLEY I. BALDWIN,  
*President.*

KENNETH L. CUNNINGHAM,  
*General Manager and Secretary.*

**District Trust Company** (Inc. under the laws of Ontario) **Balance Sheet** October 31, 1967 (with comparative figures at October 31, 1966)

**ASSETS**

	<u>1967</u>	<u>1966</u>
CASH .....	\$ 116,312	\$ 135,597
SECURITIES (NOTE 1)		
Government of Canada .....	543,648	610,543
Provincial .....	499,626	529,365
Municipal .....	125,871	32,069
Other .....	<u>276,262</u>	<u>2,036</u>
	1,445,407	1,174,013
LOANS, SECURED .....	62,227	234,343
MORTGAGES, less reserve .....	5,085,700	3,593,407
REAL ESTATE HELD FOR SALE .....	11,198	
OFFICE PREMISES AND EQUIPMENT		
at cost less depreciation .....	70,791	75,707
OTHER ASSETS .....	4,581	662
	<u>          </u>	<u>          </u>
	<u>\$6,796,216</u>	<u>\$5,213,729</u>

ESTATES, TRUSTS AND AGENCIES

Securities, cash and other assets —  
1967, \$728,770; 1966, \$278,485.

**LIABILITIES**

	<u>1967</u>	<u>1966</u>
GUARANTEED TRUST ACCOUNT		
Deposits .....	\$1,965,210	\$1,509,486
Investment certificates .....	<u>2,908,581</u>	<u>1,884,744</u>
	4,873,791	3,394,230
BANK LOAN (NOTE 2) .....	75,000	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES .....	40,690	32,213
SHAREHOLDERS' EQUITY		
Capital stock (NOTE 3)		
Authorized — 500,000 shares of \$10 each		
Issued — 160,000 shares .....	1,600,000	1,600,000
Contributed surplus .....	<u>182,069</u>	<u>182,069</u>
	1,782,069	1,782,069
Retained earnings .....	<u>24,666</u>	<u>5,217</u>
	<u>1,806,735</u>	<u>1,787,286</u>
	<u>          </u>	<u>          </u>
	<u>\$6,796,216</u>	<u>\$5,213,729</u>

Attested: T. F. KINGSMILL,  
Chairman of the Board.  
B. I. BALDWIN,  
President.

## STATEMENT OF INCOME

*Year ended October 31, 1967 (with comparative figures for 1966)*

	<u>1967</u>	<u>1966</u>
Interest earned		
Bonds .....	\$ 71,463	\$ 51,289
Mortgages .....	311,862	224,949
Loans .....	8,769	8,892
Other income .....	<u>23,704</u>	<u>13,141</u>
	<u>415,798</u>	<u>298,271</u>
Expenses		
Interest on deposits and investment certificates .....	203,296	120,632
Salaries .....	94,909	71,267
Rent .....	6,575	6,575
Printing and stationery .....	5,597	6,525
Advertising .....	7,291	5,938
Legal and audit .....	2,765	3,687
Other operating expenses .....	<u>57,216</u>	<u>48,432</u>
	<u>377,649</u>	<u>263,056</u>
Income before the undernoted items .....	<u>38,149</u>	<u>35,215</u>
Deduct		
Depreciation .....	10,700	12,079
Allocation to mortgage reserve .....	<u>8,000</u>	<u>5,000</u>
	<u>18,700</u>	<u>17,079</u>
Net income for the year .....	<u>\$ 19,449</u>	<u>\$ 18,136</u>

## STATEMENT OF RETAINED EARNINGS

*Year ended October 31, 1967 (with comparative figures for 1966)*

	<u>1967</u>	<u>1966</u>
Balance at beginning of year .....	\$ 5,217	\$ (12,919)
Net income for the year .....	<u>19,449</u>	<u>18,136</u>
Balance at end of year .....	<u>\$ 24,666</u>	<u>\$ 5,217</u>

## NOTES TO FINANCIAL STATEMENTS

1. Securities are stated at not in excess of amortized cost. Market value amounted in the aggregate to \$1,312,000 (\$1,116,600 in 1966).
2. Government of Canada bonds of \$200,000 principal amount have been pledged as security against the bank loan.
3. Warrants are outstanding entitling the holders to purchase 40,000 shares at \$12.50 per share exercisable on or before May 1, 1969.
4. No provision for income taxes is required due to the application of a portion of prior years' losses.

## AUDITORS' REPORT

To the Shareholders of

District Trust Company:

We have examined the balance sheet of District Trust Company as at October 31, 1967 and the statements of income and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at October 31, 1967 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
November 14, 1967.

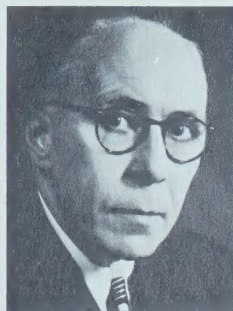
Gunn, Roberts and Co.,  
Chartered Accountants.



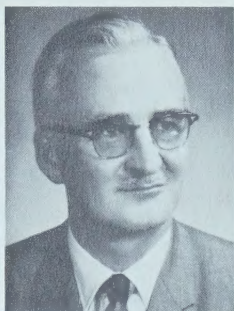




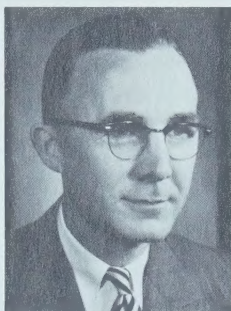
## OFFICERS



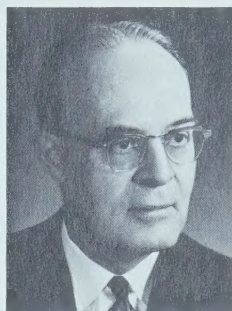
THOMAS F. KINGSMILL,  
*Chairman of the Board.*



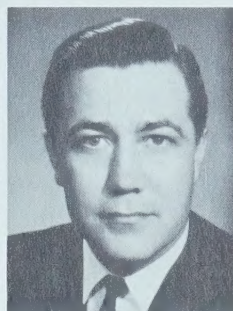
BENTLEY I. BALDWIN,  
*President.*



WILLIAM C. P. BALDWIN,  
*Vice-President.*



FREDERICK M. HALLS,  
*Vice-President*



K. L. CUNNINGHAM,  
*General Manager and  
Secretary.*



DOUGLAS J. PETCH,  
*Treasurer.*

## DIRECTORS

WILLIAM J. AMOS, Parkhill, Ontario  
BENTLEY I. BALDWIN, London, Ontario  
WILLIAM C. P. BALDWIN, London, Ontario  
KENNETH L. CUNNINGHAM, London, Ontario  
FREDERICK F. R. BOYES, Parkhill, Ontario  
NORMAN G. BURDICK, London, Ontario  
STUART H. CARVER, London, Ontario  
JOHN W. DOUGLAS, Ingersoll, Ontario  
WILLIAM J. GORMAN, London, Ontario  
LYLE H. GRAY, Ridgetown, Ontario  
FREDERICK M. HALLS, London, Ontario  
HOWARD L. HAYMAN, London, Ontario  
ARTHUR M. HUESTON, Aylmer, Ontario  
JOHN A. IRVINE, London, Ontario

WALTER A. KEYSER, Don Mills, Ontario  
FREDERICK O. KIME, London, Ontario  
THOMAS F. KINGSMILL, London, Ontario  
JAMES G. LIND, London, Ontario  
FRANCIS J. McDONALD, Islington, Ontario  
WILLIAM J. McDOUGALL, London, Ontario  
JOHN A. McNEE, London, Ontario  
GEORGE T. MOORE, Arva, Ontario  
STANLEY A. MORTIN, St. Thomas, Ontario  
JOHN B. NASH, London, Ontario  
EWART W. OSTRANDER, Tillsonburg, Ontario  
EDWARD E. REILLY, London, Ontario  
CHESTER H. SMITH, St. Thomas, Ontario  
J. CLARK WRIGHT, Strathroy, Ontario

## EXECUTIVE COMMITTEE

B. I. BALDWIN  
W. C. P. BALDWIN  
N. G. BURDICK  
K. L. CUNNINGHAM  
F. M. HALLS  
H. L. HAYMAN  
F. O. KIME  
T. F. KINGSMILL  
J. A. McNEE

## AUDITORS

GUNN, ROBERTS AND CO.

*Far left — W. Foster Thompson and his staff of the Strathroy Branch are providing the complete range of District Trust services to an increasing number of customers in this thriving community.*

*Left — Housewives, businessmen, and teen-agers appreciate the long business hours of the Covent Market Branch which permits them to arrange personal matters while downtown.*



## SERVICES OFFERED BY DISTRICT TRUST COMPANY

**Savings Accounts with chequing priveleges** — 4% interest on minimum semi-annual balance with no service charges on cheques and 200 free personalized cheques.

**Deposit Accounts** —  $4\frac{3}{4}\%$  interest on minimum monthly balance compounded monthly.

**Guaranteed Investment Certificates.**

**Registered Retirement Savings Plans** for Individuals.

**Estate Planning.**

**Safety Deposit Boxes.**

**Investment Management.**

**First Mortgage Loans** — Residential, Commercial, Industrial.

**Real Estate Appraisals and Property Management.**

**Personal Loans** — through arrangements with the Mercantile Bank of Canada.

## THREE OFFICES TO SERVE YOU

**Head Office** — 484 Richmond Street, London, 434-1136.

Hours: 9 a.m. to 5 p.m. Monday to Friday.

**Covent Market Branch**, Market Building, London, 434-1951.

Hours: 9 a.m. to 4:30 p.m. Monday to Thursday.

9 a.m. to 6 p.m. Friday.

9 a.m. to 1 p.m. Saturday.

**Strathroy Branch**, 26 Front Street, Strathroy, 245-1090.

Hours: 9 a.m. to 4:30 p.m. Monday to Thursday.

9 a.m. to 9 p.m. Friday.



# DISTRICT TRUST C O M P A N Y

484 RICHMOND STREET  
LONDON • ONTARIO  
PHONE 434-1136



March 10, 1967

To Our Shareholders:

As your President, I feel that I should like to report to you again on the continued progress of our company. Your directors have taken certain actions since the last annual report and, as President, I should like to advise you of them.

Mr. K. L. Cunningham, our General Manager, has now assumed the responsibility as Secretary of the company. Your directors feel that with Mr. Cunningham's broad general experience he will give this post an increased importance.

Mr. Douglas Petch, who has had many years experience in the Trust company field, has now joined our staff as the manager in our Head Office and also as Treasurer of the Company.

I should like to report also that I have purchased from Mr. S. E. Weir all his holdings in the company, being 6,000 share and 6,000 share warrants. It is proper, I think, to advise you that I paid Mr. Weir the sum of \$89,063.59, which, as you will see, amounts to \$14.84 per share and warrant, which price, needless to say, reflects my absolute confidence in our company. I think it equally proper that I should advise you that my holdings in our company is now 15,180 shares. As a result of this purchase, Mr. Weir is no longer a director of the company.

Our Company has shown continued growth since our last annual report. Deposits at February 28th, 1967, totalled \$3,791,805.00 an increase of \$397,575.00 over the October 31, 1966 figure of \$3,394,230.00. Deposits in the first 10 days of March have increased over \$100,000.00. Similar increases continue in Estates, Trusts, and Agencies where assets under administration now exceed \$600,000.00. Our Company will continue its policy of being a financially strong, conservative Trust Company where our main object is to protect the funds which the Public has deposited with us.

To continue the policies of the Board of Directors, this letter will also serve as an invitation to you to write to me at our Head Office, 484 Richmond Street, London, if there are any questions you would like to ask concerning our company and its operations.

*B. I. Baldwin*

Bentley I. Baldwin  
President

